



Principal® debuts annuity solution with sustainability index

June 1, 2023

DES MOINES, Iowa--(BUSINESS WIRE)-- [Principal Financial Group®](#) has launched its first Registered Index-Linked Annuity (RILA), [Principal® Strategic Outcomes](#), to meet the growing demand for annuity solutions as market uncertainty persists and as individuals nearing retirement seek help mitigating investment risk. Recent market volatility and inflation pressures pushed total industry RILA sales to a record \$41.1 billion in 2022.¹

“Sustained market uncertainty has investors thinking about their asset allocation mix which, along with volatile equity markets, has triggered movement to solutions that help individuals build retirement savings while managing their risk tolerance,” said Sri Reddy, senior vice president for Retirement and Income Solutions at Principal. “As a leader in guaranteed income solutions, we built our RILA to help investors more confidently navigate diverse market conditions and stay invested as they strive for the best outcomes possible for their retirement.”

Principal® Strategic Outcomes is available through financial professionals to help customers manage market ups and downs through investment options that offer choice and personalization. To provide additional customization, the RILA solution includes a climate-focused, sustainability index – the Societe Generale (SG) Smart Climate Index – as one of four indices available.

Offered alongside the S&P 500®, Russell 2000®, and MSCI EAFE, the SG Smart Climate Index utilizes technology models from Entelligent to calculate an “E-Score” estimating the investor return sensitivity of companies to future climate change scenarios. The index investment universe consists of stocks from the S&P 500® that uphold the Ten Principles of the United Nations Global Compact without being linked to controversial incidents, products, and/or business activities.

“The sustainability index gives Principal® Strategic Outcomes a distinctive element that supports both a stable income stream in retirement and environmental stewardship,” Reddy said.

A 2022 Principal survey indicated 66% of investors place equal value on protecting savings and maximizing gains.² In designing Principal® Strategic Outcomes – available to anyone age 0-85 but best suited for pre-retirees who are at least 50 years old – Principal conducted interviews with financial professionals to help ensure both the design and usability of the solution can provide an appealing mix of choice, downside protection options, and market growth opportunity to meet customers’ expectations.

Principal® Strategic Outcomes is the second annuity-related offering Principal has launched in the past 12 months. [In June 2022, Principal debuted variable annuity buffer accounts](#) that also provide opportunities for both market growth and limited downside protection.

Principal® Strategic Outcomes may not be available in all states or with all broker dealers.

Principal® Strategic Outcomes does not directly participate in any stock, equity investments or index. It is not possible to invest directly in an index. Amounts invested in a Segment Option that is linked to the Index are not invested in the Index, the Underlying SGI Index, or the underlying stocks. Index-linked deferred annuity contracts are complex insurance and investment vehicles. This Contract is a security and there is a risk of substantial loss of principal and earnings.

Before investing in registered index-linked annuities, investors should carefully consider the investment objectives, risks, charges, and expenses of the contract and underlying investment options. This and other information is contained in the free prospectus, which can be obtained from your local representative or online at [principal.com](#). Please read the prospectus and, if available, the summary prospectus carefully before investing.

Investing involves risk, including the possible loss of principal.

The buffer funds have characteristics unlike many other traditional investment products and may not be suitable for all investors. Not available in New York and may not be available with all broker dealers.

Guarantees are based on the claims-paying ability of Principal Life Insurance Company®.

The SG Smart Climate Index is the exclusive property of SG Americas Securities, LLC (together with its affiliates, “SG”). SG has contracted with S&P Opco, LLC (a subsidiary of S&P Dow Jones Indices LLC) (“S&P”) to maintain and calculate the SG Smart Climate Index. “SG Americas Securities, LLC”, “SGAS”, “Société Générale”, “SG”, “Société Générale Indices”, “SGI”, “SG Smart Climate Index”, and “SG Climate Transition Risk Index” (collectively, the “SG Marks”) are trademarks or service marks of SG or have been licensed for use by SG from Entelligent, Inc. (“Entelligent”). SG has licensed use of the SG Marks to Principal Life Insurance Company (“Principal Life”) and sub-licensed the use of certain Entelligent marks (the “Entelligent Marks”) for use in a

registered indexed annuity offered by Principal Life (the "Product"). SG's sole contractual relationship with Principal Life is to license the SG Smart Climate Index and the SG Marks and sub-license the Entelligent Marks to Principal Life. None of SG, S&P, Entelligent or other third party licensor to SG (each individually, an "Index Party" and collectively, the "Index Parties") is acting, or has been authorized to act, as an agent of Principal Life or has in any way sponsored, promoted, solicited, negotiated, endorsed, offered, sold, issued, supported, structured or priced any Product or provided investment advice to Principal Life. The Index Parties have no obligation to make payments under the Product. The Index Parties make no representation or warranty, express or implied, to investors in the Product and hereby disclaim all warranties (including, without limitation, those of merchantability or fitness for a particular purpose or use): (a) regarding the advisability of investing in any products linked to the SG Smart Climate Index or (b) the suitability or appropriateness of an exposure to the SG Smart Climate Index in seeking to achieve any particular objective, including meeting its stated target volatility. No Index Party shall have any responsibility or liability for any losses in connection with the Product, including with respect to design, issuance, administration, actions of Principal Life, marketing, trading or performance of the Product. The Index Parties have not prepared any part of this document and no statements made herein can be attributed to the Index Parties. SG does not act as an investment adviser or provide investment advice in respect of the Index or the Product and does not accept any fiduciary or other duties in relation to the SG Smart Climate Index, the Licensee, the Product or any investors in the Product. The Index Parties shall have no liability for any act or failure to act in connection with the determination, adjustment or maintenance of the SG Smart Climate Index. Without limiting the foregoing, the Index Parties shall have no liability for any damages or lost profits, even if notified of the possibility of such damages. In calculating the daily performance of the SG Smart Climate Index, SG deducts 1.5% of the performance of the SG Smart Climate Index, which corresponds to the synthetic dividend yearly yield embedded in the SG Smart Climate Index. In addition, in calculating the daily performance of the sub-index comprising the SG Smart Climate Index, SG deducts fixed replication costs that cover, among other things, replicating the SG Smart Climate Index. The embedded costs will reduce the performance of the SG Smart Climate Index.

About Principal Financial Group®

Principal Financial Group® (Nasdaq: PFG) is a global financial company with 19,000 employees³ passionate about improving the wealth and well-being of people and businesses. In business for more than 140 years, we're helping more than 62 million customers⁴ plan, protect, invest, and retire, while working to support the communities where we do business, and build a diverse, inclusive workforce. Principal® is proud to be recognized as one of the 2023 World's Most Ethical Companies® by Ethisphere⁵, a member of the Bloomberg Gender Equality Index, and a "Best Place to Work in Money Management⁶." Learn more about Principal and our commitment to building a better future at [principal.com](https://www.principal.com).

Annuities are issued by Principal Life Insurance Company®. Principal Variable Contracts Funds are distributed by Principal Funds Distributor, Inc. Securities offered through Principal Securities, Inc., member SIPC and/or independent broker/dealers. Referenced companies are members of the Principal Financial Group®, Des Moines, IA 50392.

Any other entities mentioned within are not affiliated with any member companies of Principal Financial Group.

© 2023 Principal Financial Services, Inc. Principal®, Principal Financial Group®, and Principal and the logomark design are registered trademarks of Principal Financial Services, Inc., a Principal Financial Group company, in the United States and are trademarks and services marks of Principal Financial Services, Inc., in various countries around the world.

¹ LIMRA 2022 Individual Annuity Sales Survey

² Principal Retirement Security Survey – Investments, July 2022

³ As of March 31, 2023

⁴ As of March 31, 2023

⁵ Ethisphere, 2023

⁶ Pensions & Investments, 2022



Media Contact: Phillip Nicolino, 515-362-0239, nicolino.phillip@principal.com

Source: Principal Financial Group